

ANALYSIS 4.1 (ESTIMATED TIME: 4.0 HOURS)

Assessment Preparation Checklist:

Before completing the assignment:

- Go through the following section in the textbook, *Project Risk Management Guidelines: Managing Risk in Large Projects and Complex Procurements* (Custom Update Ed.):
 - Chapter 5, “Semi quantitative risk assessment”, pp. 59–72
- Go through the following section in the textbook, *PMBOK® Guide, 5th ed.*:
 - Chapter 11.4, “Perform quantitative risk analysis”
- Read the topic “The New Fence” from this week’s online lesson.

TITLE: QUANTITATIVE RISK ASSESSMENT

Assume you are managing a project to produce a new animated movie. You have identified the following risks and opportunities.

Risks:

- If a senior artist retires before the movie is complete, the production of art renderings will be delayed and will result in slipping the project schedule. Likelihood: Moderate; Consequence: Major
- If there is an earthquake in Burbank, CA, all electronic files on the computers in the building will not be accessible either temporarily or permanently and will result in stopping work on the movie. Likelihood: Slight; Consequence: Major
- If the actor’s union goes on strike, the audio portion of the movie will get affected, resulting in a delay in the schedule. Likelihood: Strong; Consequence: Major
- If the parent organization sells the building where the project works, the project will have to move, resulting in a day-for-day schedule slip. Likelihood: Slight; Consequence: Moderate

Opportunities:

- If new software becomes available for the key animation process, the project will be able to complete the artistic animation quicker, resulting in delivering that portion of the project earlier.
- If you can convince another production project within your company to share a screening room, you could reduce the project space requirement and save \$15,000 in overhead expenses.

Develop risk mitigation plans to address each of these risks, and a plan to enhance the opportunity. You may find that more than one risk mitigation strategy is available for any given risk. Make sure to indicate the risk or opportunity strategy—avoid, transfer, mitigate, accept, exploit, share, and enhance.

Submission Requirements:

- Write your answers in at least 2–3 pages.